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SUBJECT: IRANIAN OPPOSITION GROUP CLAIMS IRAN REPATRIATED  
ITS SWISS GOLD

1.(SBU) Summary: Several Swiss media outlets are reporting that, during the fall of 2005, Iran repatriated 250 tonnes of the Iranian Central Bank's gold, valued at 5 billion Swiss Francs (\$3.8 billion), on deposit with Credit Suisse Zurich and flew the gold in cargo aircraft to the United Arab Emirates. The source of the report is an Iranian communist opposition group called the Organization of Guerrillas Fedais for the People of Iran (OGFPI). While stopping well short of confirming the report, an employee of the Swiss Banking Commission told Poloff that Iran's movement of its gold "cannot be excluded," but that he doubted it was such a large sum. Credit Suisse did not deny reports of the gold movement. The OGFPI has also claimed that Iran repatriated from western banks a total of about 700 tonnes of gold and \$20 billion in other assets, presumably in response to the threat of sanctions over Iran's nuclear program. Meanwhile, on January 22, 2006, Credit Suisse and UBS each announced that they would cease their commercial relations with Iran. End summary.

2.(SBU) The Swiss newspaper "La Liberte" and several other dailies reported on March 30 that the Iranian Government had repatriated 250 tonnes of gold from Switzerland during October and November 2005. The reports also cited the Iranian opposition group OGFPI as claiming the Iranian government repatriated a total of 700 tonnes of gold and more than \$20 billion from other western banks during the same period. In Switzerland, the Markazi Bank, Iran's Central Bank, had reportedly deposited 250 tonnes of gold at Credit Suisse in Zurich. Credit Suisse did not deny reports of the repatriation. According to the press, other experts believe the gold might have been stored in a duty-free warehouse to avoid Swiss customs. As for Switzerland's largest bank, UBS spokesman Serge Steiner denied any UBS involvement in Iranian gold transfers.

3.(SBU) According to a monthly publication called "Jetstream," run by a plane-spotting club, the gold was carried on at least three Air Iran cargo jets that landed at Zurich Kloten Airport in October and November 2005. Jetstream wrote that the plane spotters found the landings notable, since Iranian cargo planes rarely visit Zurich. The dates and types of planes are as follows:

-- October 24, 2005 - Boeing 747-200  
-- November 14 and 23 - Airbus A 300

4.(SBU) Swiss officials have been publicly non-committal on the alleged transfer -- likewise in private conversation. The deputy Near East chief at the Department of Foreign Affairs said she had no information on the issue. One employee of the Swiss Banking Commission researched the issue at Poloff's request and replied April 3 with the

following information: The report of the gold repatriation cannot be excluded; such repatriation would not violate any international sanctions; a Swiss financial institution would not have been required to file a suspicious activity report, as long as it was satisfied that the gold movement was a legitimate action of the Iranian Central Bank; if any Iranian gold repatriation took place, he would be surprised if it was that large, given the difficulty of transporting 250 tonnes of cargo on three aircraft (the official estimated that a 747 could carry 100 tonnes, and the A-300s 50 tonnes each).

5.(SBU) Our Banking Commission contact also described the allegations as consistent with other recent developments between Iran and Swiss financial institutions. On January 22, 2006, UBS announced a halt to commercial relations with Iran, two days after the Iranian regime acknowledged the repatriation of its foreign assets for fear of western sanctions. Credit Suisse's management followed with a January 23 decision not to engage in new banking relations or renew expiring contracts with Iran or Syria. According to Swiss National Bank data, Iranian assets in Switzerland totaled Sfr.2 billion (\$1.5 billion), mostly held by UBS and Credit Suisse.

Comment

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6.(SBU) Swiss banking privacy laws forbid government employees from sharing banking information absent a mutual legal assistance treaty request. Given this fact, a phrase indicating that the Iranian gold repatriation "cannot be excluded" may be as much indication as could be expected that the story might be credible, albeit not necessarily the

BERN 00000725 002 OF 002

250 tonnes reported in the press. Nonetheless, the report must remain under the category of "unconfirmed."  
Willeford